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SUBJECT: AMBASSADOR TRAVELS TO PANEVEZYS

¶1. Summary. Ambassador Cloud traveled to the city of Panevezys in central Lithuania on January 23 to meet with local officials and participate in community outreach. He raised tolerance issues with the Mayor and visited two schools and one factory. Panevezys is the fifth largest city in Lithuania and the seventh largest city in the Baltic region. The visit received positive attention from the local media. End Summary.

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PANEVEZYS ECONOMY  
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¶2. The Ambassador called on Mayor Povilas Vadopolas who was elected to office in June 2008. He is a member of the Social Democratic party. The Mayor and members of his staff reported that Panevezys is feeling the effects of the economic crisis. The staff said that unemployment has reached 8.8 percent in the area and some Panevezys companies have been forced to reduce workforce by as much as 50 percent. (Comment. The Panevezys unemployment rate is higher than the overall unemployment rate for Lithuania which was reported as 5.9 percent in Q3 2008. End Comment.). Local schools have reported a decrease in student population by as many as 1,000 students per year. Families are leaving Panevezys in search of work opportunities in Western Europe. The city is trying to attract more businesses to the area and is working on plans for an industrial office park which will be supported by EU structural funds. The Ambassador advised that Baltic States must work together to attract foreign direct investment. He further encouraged the city government to use English and Lithuanian-language newspapers in the UK and Ireland to promote business opportunities in Panevezys. The Mayor later told the press that he intended to follow the Ambassador's advice and will set aside money to pay for promotions.

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TOLERANCE ISSUES  
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¶3. Ambassador Cloud thanked the Mayor for the way the city responded quickly and properly after learning that pieces of Jewish gravestones had been used in the wall around the drama theater. The city and the Jewish community worked together to remove the stones and create a monument from them that will open this summer. The Ambassador asked the Mayor if he could help to protect a local Jewish Community Center which has been vandalized several times in the past year. The Mayor dismissed the vandalism as acts of "young hooligans" who have also destroyed crosses in the Lithuanian cemetery. The Ambassador urged the city government to make it clear that such expressions are unacceptable regardless of the location.

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SCHOOL VISITS  
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¶4. The Ambassador also visited two Panevezys schools including the Panevezys School for the Deaf and Hearing Impaired and the Minties high school. The Ambassador received a warm greeting at the Panevezys School for the Deaf and the Hearing impaired and was welcomed by the school's director as well as by local government officials including County Governor Viktor Trofimov, Deputy of

County Governor Vidas Balakauskas and Head of Division of Education Ricardas Kliminskas. The students gave an inspiring musical performance in the school's auditorium which was built with funding from the USG EUCOM program. The Ambassador also participated in a tour of the facility which highlighted other USG contributions to the school including furniture and PCs. The school's director noted that 2009 represents 10 years of friendship between the school and the USG.

15. Ambassador Cloud addressed 200 students and teachers at the Minties high school. He highlighted opportunities to study in the U.S. and distributed copies of President Obama's inaugural address in Lithuanian. The Ambassador's remarks were followed by a lively Q&A session with the students. Questions ranged from inquiries about scholarships to political questions such as the future of Guantanamo Bay, the priorities of President Obama and the economic crisis.

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FACTORY TOUR & BASKETBALL  
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16. Representatives from the Kalnapilis Brewery invited the Ambassador to a site visit and tour. The facility was founded by a German beer maker over 100 years ago. The factory employs up to 175 workers during high season and produces beer for the Kalnapilis brand as well as for Latvian and Danish producers. The Kalnapilis brand boasts 30 percent of the Lithuanian market share for beer.

17. In the evening the Ambassador attended two semi-final basketball games in the new Cido Arena, and cheered for several American Citizen athletes who play on various Lithuanian teams.

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MEDIA COVERAGE  
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18. The visit to Panevezys received positive attention from local press. Ambassador Cloud gave a television interview to KTV Plus which boasts an audience of 150 thousand. He highlighted President Obama's priorities in his first days in office and said that the strong friendship between the U.S. and Lithuania will remain strong under the new administration. The Ambassador's visit was also featured prominently in the local newspaper "Sekunde."

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